

STATE OF SOUTH DAKOTA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
BOARD OF MINERALS AND ENVIRONMENT

IN THE MATTER OF THE PETITION OF LUFF EXPLORATION COMPANY, DENVER, COLORADO, TO AMEND THE APPLICABLE ORDERS FOR THE EAST HARDING SPRINGS RED RIVER UNIT TO EXPAND THE UNIT TO INCLUDE THE N ½ AND SE ¼ OF SECTION 29, AND THE NE ¼ OF SECTION 30, TOWNSHIP 23 NORTH, RANGE 6 EAST, HARDING COUNTY, SOUTH DAKOTA; TO PROVIDE FOR APPROVAL OF MATTERS BY WORKING INTEREST OWNERS BY A VOTE OF SIXTY PERCENT (60%) OF THE WORKING INTEREST; TO PROVIDE FOR THE ASSESSMENT OF A RISK COMPENSATION AGAINST THE INTEREST OF OWNERS WHO ELECT NOT TO PARTICIPATE IN THE RISK AND COST OF UNIT OPERATIONS; AND FOR OTHER RELIEF THE BOARD DEEMS APPROPRIATE.

NOTICE
OF
HEARING

CASE NO. 6-2010

Notice is hereby given that the Board of Minerals and Environment will hold a contested case hearing on the above described matter on Thursday, May 20, 2010, at 11:15 a.m. CDT at the Matthew Environmental Education and Training Center, 523 East Capitol Avenue, Pierre, SD 57501. The case involves oil and gas interests in the following land: all or portions of the N ½ and SE ¼ of Section 29, and the NE ¼ of Section 30, all in Township 23 North, Range 6 East, Harding County, South Dakota.

The board has jurisdiction and legal authority to issue orders for the development of the oil and gas resources of the state pursuant to South Dakota Codified Laws (SDCL) Chapter 45-9 and Chapter 1-26 and further pursuant to Administrative Rules of South Dakota (ARSD) 74:09 and 74:10. The hearing is an adversary proceeding and any party has the right to be represented by a lawyer. These and other due process rights will be forfeited if they are not exercised at the hearing. The board may approve, conditionally approve, or deny the application. The board's decision will be based upon the evidence received at the hearing. The board's decision may be appealed to the Circuit Court and the State Supreme Court as provided by law.

If the amount in controversy exceeds two thousand five hundred dollars or if a property right may be terminated, any party to the contested case may require the agency to use the Office of Hearing Examiners by giving notice of the request to the agency no later than ten days after service of a notice of hearing issued pursuant to SDCL 1-26-17.

Any person who wishes to intervene in this proceeding as a party must file a petition to intervene pursuant to ARSD 74:09:01:04 on or before May 11, 2010.

Notice is further given to individuals with disabilities that this hearing is being held in a physically accessible place. Please notify the Department of Environment and Natural Resources at least 48 hours before the public hearing if you have a disability for which special arrangements must be made at the hearing by calling the telephone number listed below.

The applicant's petition and notice of hearing are also posted on the department's website at: <http://denr.sd.gov/des/og/oghome.aspx>. Additional information about this petition is available from Fred V. Steece, Oil and Gas Supervisor, Department of Environment and Natural Resources, 2050 West Main Street, Suite #1, Rapid City, SD 57702, telephone 605.394.2229, email fred.steece@state.sd.us.

Dated: March 16, 2010

A handwritten signature in black ink, appearing to read 'S. M. Pirner', with a horizontal line extending to the right.

Steven M. Pirner
Secretary

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